

Medi-Cal Program Guide (MPG) Special Notice 06-16

December 6, 2006

Subject	2007 SOCIAL SECURITY COST OF LIVING ADJUSTMENT (COLA), MEDICARE CATASTROPHIC COVERAGE ACT SPOUSAL IMPOVERISHMENT CAPS, INCREASE IN SUBSTANTIAL GAINFUL ACTIVITY (SGA), AND THE PARENT ALLOCATIONS FOR THE QUALIFIED MEDICARE BENEFICIARY/SPECIFIED LOW-INCOME MEDICARE BENEFICIARY/QUALIFYING INDIVIDUALS AND OTHER PROGRAMS
Effective Date	January 1, 2007
Expiration Date	December 31, 2007
Reference	ACWDLs 06-29, 06-30, 06-34, and 06-35
Purpose	<p>The purpose of this Special Notice is to inform staff of the following:</p> <ul style="list-style-type: none">• The 2007 Social Security Title II (Retirement, Survivor's, and Disability Insurance) benefits will have a 3.3% COLA increase effective January 1, 2007.• All existing Medi-Cal cases with Title II income and/or allocation computations, except Section 1931(b), Aged and Disabled Federal Poverty Level (A&D FPL), and other FPL aid types, must be recomputed by the NOA deadline in December 2006. Please note: Additional instructions are provided for 1931(b).• A special computer run occurred on 12/2/06 to reflect the Social Security COLA increase on the majority of granted cases with SSA income on the case.• The Medicare Part B Premium is \$93.50.• The Medicare Part B deductible is \$131.• The Medicare Part A premium is \$410 for persons who do not receive free Medicare Part A. The reduced Medicare Part A premium is \$226 for persons with 30-39 quarters of Medicare covered employment.

Continued on next page

Medi-Cal Program Guide (MPG) Special Notice 06-16, Continued

Purpose (continued)

- The Medicare Part A premium is \$410 for persons who do not receive free Medicare Part A. The reduced Medicare Part A premium is \$226 for persons with 30-39 quarters of Medicare covered employment.
- The Medicare Part A deductible is \$992 for the first 60 days of inpatient care, \$248 a day for days 61 through 90, and \$496 a day for days 91 through 150.
- The 2007 Community Spouse Income Allocation is \$2,541 and the 2007 Community Spouse Resource Allowance (CSRA) is \$101,640.
- The 2007 Substantial Gainful Activity (SGA) limit is \$900.
- The A&D FPL Couple's Disregard is \$402.
- The 2007 Federal Benefits Rate (FBR) is \$623 for an individual and \$934 for a couple.
- The Standard Allocation for the 250% Working Disabled, Qualified Medicare Beneficiary (QMB), Specified Low-Income Beneficiary (SLMB), and Qualified Individual (QI) programs is \$311 (the couple FBR minus the individual FBR).
- The Parent Allocation is determined as follows:
 - If one ineligible parent lives with a child - \$623
 - If both ineligible parents live with a child - \$924.
- Annual COLAs also occur in Railroad Retirement Income and Veterans Administration income in the month of January. Workers are to review cases with Veterans Administration income and Railroad Retirement income for possible increases and take required action by NOA deadline in December 2006.

Continued on next page

Medi-Cal Program Guide (MPG) Special Notice 06-16, Continued

Required Actions for Intake

The table below shows the required actions for a case in Intake.

If the case...	Then the new Social Security Title II amounts for the January 2007 COLA must be...
Is leaving Intake on or after 12/2/06,	Reflected for the January 2007 share of cost (SOC) computation.
Has a granting action taken between 12/2/06 and 12/31/06,	Run EDBC to ensure that the increased amount is used, as appropriate. The new Medicare premium shall also be used for January 2007 budgets and after.

Required Actions for Granted

Share of Cost Increases

For the majority of the active cases (including cases in suspense), the SOC increases resulting from the Title II COLA increase was automatically computed on 12/2/06. Workers must run EDBC on cases that were in discontinued status on 12/2/06 if they are rescinded effective January 1, 2007 so that the increased amounts will be used in the eligibility determination. Workers must review the income information in Wrap Up to ensure that the correct amount is used.

Notice of Action

The computer run produced NOAs. Many will be mailed automatically and require no additional action by the worker. Others have been set to stay in Online status. Workers will need to review their Print Queue before NOA deadline in December 2006 so that the worker can verify that the information is correct before issuing to the beneficiary.

Continued on next page

Medi-Cal Program Guide (MPG) Special Notice 06-16, Continued

Verification of COLA Increase

Verification of COLA increases is required as shown in the table below.

If the SOC...	Then...
Increases,	The NOA's issued as indicated above included the amount of the January 2007 Title II increase. If the beneficiary reports a different amount, verification is required only if the amount is less than computed, or is greater than the amount computed by more than \$5.
Does not increase,	<p>When a beneficiary reports a Title II COLA, the worker must complete a manual computation to determine if the amount reported agrees with the amount computed. Verification is required only if the amount reported is greater than the amount computed by more than \$5.</p> <p>Reported corrections to the Title II amount computed must be documented in the case narrative.</p>

Special Programs

As usual, the COLA increases for those special programs where eligibility is determined based on the Federal Poverty Level (FPL) (100%, 133%, 200%, etc.) will be disregarded. This does not apply to cases in the Qualified Working Disabled Individual Program. MFBUs that have family members eligible for the FPL programs with Social Security income will have their Social Security income increased automatically with the COLA run.

Workers are to use the December 2006 Social Security amounts when comparing the net income of the MFBU to the FPL for the purposes of determining eligibility to special programs.

Continued on next page

Medi-Cal Program Guide (MPG) Special Notice 06-16, Continued

A&D FPL Program Cases	The January 2007 Social Security COLA is to be disregarded for applicants/beneficiaries of the A&D FPL Program until the new FPL's are released in April. Workers are to continue using the December 2006 Social Security amounts when comparing the net income of the MFBU to the FPL for purposes of determining eligibility to the A&D FPL Program. When the April 2007 FPL's are released workers will use the January 2007 COLA amounts to evaluate ongoing A&D FPL eligibility for these cases.
QMB Cases	CalWIN will exempt the SSA COLA amount until April 2007 when the new FPLs are released.
1931(b) Cases	CalWIN will not exempt the SSA COLA for 1931(b). Workers must review their 1931(b) cases and identify any cases which were negatively impacted by the SSA COLA. Any cases in which the SSA COLA causes ineligibility to 1931(b) must have action taken. Workers (or staff designated by the FRC) will need to call the Help Desk to request an Override of the CalWIN results and to restore 1931(b) eligibility. A list of negatively impacted cases is anticipated by the end of the week. Further instructions will be provided when the list is received.
Automation Impact	The COLA automated run was completed on 12/2/06.
Forms Impact	None.
Quality Assurance Impact	Effective with the January 2007 review month, Quality Assurance will cite with the appropriate error any case that does not follow the requirements of this Special Notice.
Program Guide Update	The Medi-Cal Program Guide will be updated when the remainder of the changes that normally occur in January are received.

Continued on next page

Medi-Cal Program Guide (MPG) Special Notice 06-16, Continued

**Manager
Approval**

ORIGINAL SIGNED BY:

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